THE NATIONAL POLICY.

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THE BUDGET DEBATE.

SPEECH OF MR. THOS. WHITE, M.P.,

Delivered in the House of Commons on Tuesday Evening, Feb. 22.

The public debt and expenditure—The National Policy—The export question—Review of various industries—The sugar duties—Policy of the Opposition.

Mr. WHITE (Cardwell)—I do not propose, Mr. Speaker, to follow the hon. gentleman in his introductory remarks. I am quite satisfied that when he comes to read the report of that portion of his speech which had the hon. member for Niagara as its subject, he will himself regret very much what he has said. But, sir, on the general question which the hon. gentleman has discussed, I desire to offer a few remarks. I agree with the hon. gentleman that a national debt is not a small matter, and that we ought not to under-estimate its importance; but I think hon. gentlemen in this House, and the public outside, will agree with me when I say that a national debt in itself is a less evil than the perpetual disposition on the part of hon. gentlemen opposite to exaggerate that debt, and to make unfair comparisons of it with the debts of other countries (hear, hear). The hon. gentleman has told us—evidently with the object of exciting the alarm of the people of this country—that the national debt has doubled since Confederation.

CHARACTER OF THE PUBLIC DEBT.

He has told us that the debt to-day is $156,000,000, whereas at the time of the confederation of the Provinces it was only $75,000,000. Well, sir, if the hon. gentleman had stated to this House and the country that we have assets to show for that increase; assets which are worth to our country directly and indirectly far more than the increase of the debt, he would at least have been doing an act of simple justice to his country. What is the fact? Of the increase in the debt during that time nearly $45,000,000 is due to the Intercolonial Railway. Apart from the question as to whether that railway is making any return to us for the capital invested in it, apart altogether from the question as to whether it is even paying all its running expenses, I venture to say that there is no one who fairly appreciates the interests of this Dominion who will not admit that, in the development of the country in the improvement of the districts through which the railway passes, in the advancement of the trade of the country, and in all those incidental advantages which an important line of communication of that kind gives to the country, that expenditure has well repaid the people of Canada. (Hear, hear.) Of that increase, about $17,000,000 was expended on the Pacific Railway. Hon. gentlemen opposite are at least responsible for that expenditure. It was made in accordance with their policy, and not in accordance particularly with the policy of gentlemen on this side of the House. It was an expenditure absolutely essential to the development of the country, and which, in its effects on the welfare of the country, will return us infinitely more than the mere interest upon that $17.000,000. Then upwards of $13,000,000 or $14,000,000 of that increase was simply a transference of the burden, and I am not going to discuss that question—on which I believe there is some difference of opinion among gentlemen on the other side of the House—from the Provinces to the Dominion, and is, therefore, so far as the people are concerned, not an increase of burden at all, but simply a transference from one account to another account. (Hear, hear.) There is another portion of the debt which, I admit, is a serious portion, and that is about $7,000,000 of deficits, which hon. gentlemen opposite had while in office. (Hear, hear.) That is an addition to the debt which we have reason deeply to regret. When the debt of this country goes on increasing in consequence of the expenditure being in excess of the revenue year after year, then I think everyone will admit that we are on the downward path, and that for the extent of the increase of the debt caused by that fact, we have serious reason for alarm. But happily the

day for that kind of debt is past, and instead of having eras of deficits, we are entering, I trust, on eras of substantial surpluses. (Applause.) What is the record of the two parties in that respect? About $10,000,000 of revenue in excess of the expenditure was expended on public works in this country on capital account by the Conservative party when they were in power before. When hon. gentlemen opposite came in, instead of money being expended out of the revenue on capital account, we had year after year a system of deficits, which hon. gentlemen could only justify or explain by declaring that if you deducted the sinking fund upon the public debt—a payment which we are bound to make to the public creditor out of the public revenues—after all, the deficit was not a very large one.

AMERICAN AND CANADIAN DEBTS.

But the hon. gentleman followed a course which I am sorry to see is followed too often by hon. gentlemen who think with him, namely, that of comparing our debt with that of the United States, and then, telling us of the great burden that debt was on the people of the United States, suggesting, rather than boldly stating, that the conditions of this country are, in respect to debt, as bad as those of our American neighbours. Will the hon. gentlemen tell me that a debt expended in works of public improvements, of material development, works calculated to promote the commercial and industrial wealth of the country, is to be compared with a debt caused by war, entailing the destruction of property and not the enhancement of its value, destitution and not prosperity? If this debt of the United States, of which the hon. gentlemen are so fond of speaking, had been all incurred in works of material development, as the debt of this country has been incurred, I venture to say the people of the United States, prosperous as they are to-day, would be in a vastly different position from what they are in. It is, therefore, no fair statement of the case to compare a debt for every dollar of which we have material assets to show, with a debt incurred, as that of the United States unfortunately was, in consequence of a great war which lasted four years in that country. But the hon. gentleman might also have told this House and the country that although the bald statement that the debt to-day is $156,000,000, whereas at Confederation it was only about $75,000,000, may be true, it does not represent fairly the increased burden of the people of this country. He should at least have told them that, whereas in 1867 we were paying an average interest of 5·55 per cent, to-day we are paying an average interest of 4·45 per cent, or one and one-tenth per cent less than we were paying then, a very material fact in estimating the burden of our debt, which is the question we are now dealing with. (Hear, hear).

THE BURDEN OF TAXATION.

The hon. gentleman, not satisfied with telling us that our debt is so serious a matter as to be a cause of great alarm to the people, and a great burden on them, told us that the taxes imposed were very serious, and he drew a picture of a head of a family, a laboring man, earning his dollar a day, or $320 a year, who as he sits down to his daily meal contemplates the fact that twenty per cent of his earnings goes into the public treasury, equal to $60 a year (laughter). Did the hon. gentleman stop to consider what that would amount to in the aggregate? Three hundred dollars a year is not certainly the average income of families in this country. Let us be thankful for that at any rate. But if it were, what would the tax amount to? It is not too much to say that there are 800,000 families in Canada, so that we should have a contribution on Customs alone, for it was to the Customs duties the hon. member referred, of $48,000,000 to the public treasury, in order to justify the statement of the hon. gentleman (applause). That statement was not made for a patriotic motive, for he told us in his concluding words that whoever was in office it would be almost impossible to reduce materially the taxation; and, therefore, he could not hold out any hope to this unfortunate head of a family, earning $300 a year, that he would be able to get off with less payment if the hon. gentlemen opposite were on this side of the House. The statement was simply made to alarm any man who might think of Canada as a place for settlement, and who, when he came to think of what would be his position in this new country, might turn up the speech of the hon. member for West Middlesex, and learn from it that, after all, when he came here twenty per cent of his earnings would have to go into the public treasury; and he would naturally seek some other country where he believed so large a portion of his earnings would not be absorbed in taxes. (Hear, hear.)

THE PUBLIC EXPENDITURE.

Then the hon. gentleman dealt with the question of our expenditure. He told us that

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under a Conservative Administration the expenditure in this country had increased from 1867 to 1874 not less than $9,000,000. Well, I am not going to analyse that statement as to the precise figures; let us say that it is $9,000,000. Was that a fair statement for the hon. gentleman to make? Did he not know that during those seven years we got in Prince Edward Island, purchased the Northwest Territories, and had to undertake the government of them; that we got in British Columbia and had to undertake the government of that province; that we increased the subsidies to the different provinces and assumed debts which were before paid by the different provinces? (Hear, hear.) All of these are a fair and reasonable justification for that increase of debt, and if the hon. gentleman wants an authority to confirm the statement I have just made, I will refer him to the circular issued in England by the late Minister of Finance, in which he said that every increase of expenditure was an increase made for the development of the country in works of general utility, which would give an adequate return for the expenditure in the enhanced prosperity they would create (applause). The hon. gentleman entered into a comparison of the expenditure of the late Government and the expenditure of this. I do not propose to deal at length with that question, because as the Estimates go through committee we shall have explanations on every item, and there will be an abundant opportunity to discuss the principle or the policy of any increase that may have been made, or any charges that may have been imposed on the public Treasury. But what is the fact? In the first year in which hon. gentlemen opposite had complete control of the affairs of the country, that of 1874-5, they managed to spend for civil government, $909,-265.73. Last year the present extravagant Government, with all the accumulations of expenditure with which they have been charged, managed to get on with $898,-605.16. (Hear, hear.) Then I find that the ordinary expenditure in 1874-5 was $7,868,-676; in 1875-6 it was $8,569,774, and last year, with the enormous increase made by this extravagant Government, amounted to $6,963,852. (Hear, hear.) That was the position on the general question of ordinary expenditure. On the ordinary expenditure of charges on revenue, I find, and I take these figures from the same statement which the hon. gentleman has quoted, that in 1875-6 they amounted to $4,796,238, in which was not included the Intercolonial Railway expenditure. In 1876-7 the charges on revenue amounted to $5,194,896; in 1877-8 they amounted to $5,301,124; last year this extravagant Government expended only $5,-227,113. (Hear, hear) With regard to public works I find that the expenditure in connection with their management in 1876-7 amounted to $2,352,832; in 1877-8 to $2,471,-437; and in 1880 to $2,329,626. (Hear, hear.) That was the position under the extravagant Government for whose advantage lectures have been given by hon. gentlemen opposite in relation to the importance of economy. (Hear, hear.)

THE MILITIA DEPARTMENT.

The hon. gentleman then came down to some details. He referred first to our militia. He told us that the United States managed to get on with 25,000 men, and it was absurd we should have so large a militia as we have. Did the hon. gentleman not know that those 25,000 men were 25,000 regular soldiers in the regular pay of the United States; that many of them, unfortunately for themselves and their country, were engaged in the Western territory quelling Indian troubles and other difficulties; that we in Canada have of the same class of men only the "A" and "B" Batteries, consisting of 240 men. (Hear, hear.) Why did the hon. gentleman make such a statement to the country and the people outside of the country, and which would lead intending settlers to believe that we actually kept up a larger army than the great nation to the south of us? Why, sir, he knows well enough, and in frankness ought to have stated it, that the 25,000 men of whom he speaks were 25,000 actual soldiers enlisted regularly in the service of the United States. But the hon. gentleman tells us he is very much opposed to the manner in which the militia expenditure takes place. I am not sure I should not agree with him on some points, but surely when he comes to deal with this matter of the enormous proportion of the expenditure on the staff, he might at least have remembered that he and his friends are responsible for that kind of thing. Who was it that first introduced the system of brigade-majors into this country? It is a remarkable fact, it was the Liberal Government of the late Sandfield Macdonald in 1863. Curiously enough they were appointed by that Government after the previous Conservative Government had been defeated on a Militia

bill proposing a different system. (Hear, hear.) To whom are we indebted for the Major-General! To the Government of the member for Lambton, before whose time we never heard of a Major-General, with his aide-de-camp, to whom reference was made by the hon. gentleman (Mr. Ross), as if, in this connection, some crime had been committed by hon. gentlemen on the Ministerial side. Then the whole system of an extensive staff—and I have always thought that the expenditure as compared with the expenditure on the volunteers has been too high—which the hon. gentlemen condemned, his own friends brought into being, and he himself supported them in that policy. (Applause.) One of the points made by the hon. gentleman was that there is an increase in the estimates. Let us see what it is. I find there is a decrease in the salaries of the military branch, the district staff, of $1,700, and a decrease for the brigade majors' salaries transport, &c., $3,000; decrease on military schools and drill instructors in colleges of $8,000; decrease in the pay and maintenance of the guard at Rideau Hall, $5,000; decrease in the matter of District Deputy Adjutant-Generals, $1,200, and as to allowances to them of $500. These are reductions all in the direction in which the hon. gentleman says they should take place. I find that the only substantial increase in connection with the militia estimate is for drill pay and all incidental expenses connected with the drill and training of the militia, $75,000. (Applause). So that the policy of this Government is precisely in the direction which the hon. gentleman opposite has been advocating. They propose to give more money for the drill of the men, more encouragement to the men who give their time in order to fit themselves if occasion should require, for the service of their country, and less to the staff which he has been condemning. Perhaps at some future time, and I hope it is not very remote, we may be able still further to reduce the staff. I am bound to confess my agreement with the hon. gentleman that a Major-General is altogether an unnecessary appendage to our militia staff. No doubt if war broke out, the militia of the country must be under an Imperial officer. But I do not think this office promotes the interests of the militia, or adds to the good feeling of that body. I am speaking of the great mass of the militia, not of the few officers who act as satellites round the Major-General—in regard to whom I must say that I believe that they do not wish an Imperial officer with the grand sounding title of a Major-General, with his Aide-de-Camp, who know nothing of the genius of the people of the country, or of the peculiarity of our militia system, and who are apt to consider that the country is conferring a favor upon the militia by permitting them to wear a uniform, instead of the militia conferring a favor upon the country by wearing a uniform (applause).

EXPENDITURE ON INDIANS.

Then the hon. gentleman dealt with the question of the Indians and their supplies. There is no doubt this is a very serious question for Canada. It is a very serious matter to have in a territory so extensive and difficult of access as it has been in the past, roaming bands of Indians who may give trouble at any time. In the old times, when the Northwest territories were under the Hudson Bay Company, periodical famine and difficulties sometimes occurred. The policy of the Hudson Bay Company, an absolute monopoly, with complete control of the fur trade, was to feed the Indians, and take from them security that when the time for bringing in the furs came they should be paid for the relief thus granted. The Government in some respects unfortunately have to undertake a similar work to-day. Now the Hudson Bay Company have no longer a monopoly of the fur trade, free traders being all over the country. In every place, when the treaty money is paid to the Indians, as I had an opportunity of seeing a couple of years ago, when I was in the Northwest, you have free traders selling and dealing with the Indians in competition with the Hudson Bay Company in regard to furs and other things. No longer does the system of tutelage between the Indians and the Hudson Bay Company prevail. The Government having taken possession of the Hudson Bay Company's territory, have to see that no serious danger of any outbreak among the Indians occurs. A single shot in anger by one of the large bands of Indians in that region would be a much more serious matter for the country than the feeding of a tribe for the whole winter, and that is the alternative we have to consider. It is a question of fight or feed, and it is very much cheaper and very much more humane to feed than to fight. (Applause.) But was it fair for hon. gentlemen to quote the prices of certain articles supplied the Indians of the Northwest —of wheat, for instance—to tell us the Government paid $2.50 per bushel for it, when in

the Northwest it could be had for 60 cents? Does he seriously mean that wheat could be got in the Northwest proper for sixty cents? The year before last, for instance, when wheat was 70 cents in Winnipeg, it was selling at $1.50 to $2.50 at Prince Albert, and $3 at Edmonton, 400 miles further west, and in this western country it is cheaper to give this high price to the farmers and settlers going into it, and who have been greatly advantaged by selling these supplies to the Government, as an incident of their position, it is better to pay such prices than to buy the grain at 60 cents at Winnipeg and take it up the Saskatchewan or in Red River carts across the plains. So it is unfair in discussing this question to leave the impression that because wheat is quoted at Winnipeg at 70 cents, the Government have been paying $1.90 more for it for the Indians than it could be obtained for, simply because people are apt to confound Winnipeg with the whole Northwest territory. (Hear, hear.)

THE POST OFFICE EXPENDITURE.

Then the hon. gentleman referred to the post office expenditure, saying there was an enormous increase in the salaries of postmasters. Does he not know there has been an entire change in the method of making up the accounts? He had an opportunity of knowing it recently from a discussion in another place, where the change in the system was explained. Formerly the country postmasters deducted their percentage and sent the balance to the department, which was all that appeared in the accounts. Now the postmaster returns the whole receipts and his fees are charged against the department as salary. (Hear, hear.)

Sir RICHARD CARTWRIGHT—The expenses would be two and a half millions, as you will see by the Auditor-General's report.

Mr. WHITE—I do not quite catch the hon. gentleman's remark.

Sir RICHARD CARTWRIGHT—That has nothing to do with the actual expenditure estimated for. The point to which the hon. gentleman refers is fully explained in the Auditor-General's report. He has nothing in his report of the expenditure he has heretofore defrayed out of receipts, and, as I understand, he repaid the Postmasters, and they continued it. It certainly is no part of the estimates now brought down.

Mr. WHITE—It increases the estimate certainly. It goes into the public accounts as a payment, whereas formerly it was not in the form of a payment. Under the present system it is charged as a salary and goes under the general heading of salaries.

Sir LEONARD TILLEY—Certainly.

Mr. MILLS—The hon. Minister knows better than that.

Mr. WHITE—The hon. gentleman need not be insolent. I do not know better than that.

Mr. MILLS—The hon. gentleman mistakes me. I said the hon. Minister of Finance knew better.

Mr. WHITE—Then you were insolent to the Minister ; that is all.

Sir LEONARD TILLEY—What I said was perfectly correct. (Applause.)

Mr. WHITE—The hon. gentleman should remember that during the last year there has been a very large number of new post offices opened all through the Northwest territory which involved an enormously increased expenditure, in comparison with the receipts. It is an essential feature of the settlement of that country, if we are to settle it—that postal facilities shall be supplied to every part of the Northwest, and we must incur the liability connected with these increased facilities. We are at this moment with regard to that country at that period of its history when our expenditures relating to our receipts are at the greatest; every year hereafter the balance will be larger in our favor, but in the meantime the fact is established that that large territory had to be opened for postal communication and as a consequence a large increased expenditure must take place.

EXPENDITURE ON RAILWAYS.

Then the hon. gentleman told us with regard to railways that the contention of the Minister of Railways that he had reduced the cost of management was not justified by the facts; and he told us that he arrived at that conclusion by taking the amount to the credit of stores in 1878 as compared with what it is to-day, the amount at the former period being much greater. The hon. gentleman ought to know that the larger the value of stores, the greater was the sum of money lying idle, and that so far as the working of the Railway was concerned, those stores never entered into it as an element at all, until they were asked for by the Railway and used in connection with the Railway. The mere fact that in the storehouses there was a certain quantity of stores in no way added to the ordinary annual charge in connection with the expenses of the Railway.

I will read a statement from an authority which hon. gentlemen will admit is certainly not partial to our side of the House, though I should be sorry to say it was not impartial. I mean the report of the Auditor-General. The income from the Intercolonial Railway, including the Prince Edward in 1879, was $1,409,955.60; working expenses, $2,233,496; excess of expenses in that year, $813,540.74. In 1880, the earnings of the Intercolonial Railway were $1,566,298.45; Prince Edward Island Railway, $113,851.11; Canada Pacific Railway, $104,975.69; Windsor Branch, $141,197, the last two not being included in the year 1879. The working expenses were for the Intercolonial, $1,603,420; Prince Edward Island Railway, $164,640, making an excess of expenses over earnings on these two railways in 1880 of $153,920, as against $813,540 in 1879.

Mr. Ross—That does not touch the items to which I referred.

Mr. White—I have already dealt with them. I do not know that it is necessary to refer further to the remarks of the hon. gentleman with reference to the finances of the Dominion. As I have already stated, when we are in committee of the whole, and when the estimates come to be discussed, I have no doubt that the Finance Minister and the other Ministers who have charge of the various departments for which the estimates are taken, will be able to furnish us with abundant justification for the items of those estimates. In some respects they do show an increase, and, in the very nature of things, that would probably continue to be the case in this country. If those increases have relation to public works which will improve the country; if they relate to a policy or to enterprises which are calculated to develop the interests of the country, then, as a matter of fact, instead of being expenditures in the sense of burdens upon the people, they are expenditures in the sense of a wise and prudent provision for the advancement of the best interests of the country. (Applause.)

Mr. Ross (Middlesex)—Will the hon. gentleman allow me, before he passes to another point, to read a short extract from the report of the Auditor-General regarding the post office expenditure?

"Total expenditure for 1880, $2,286,611.14, of which $1,518,271.05 was paid by cheques against letters of credit; the remaining $468,340.09 represents the salaries and allowances, &c., of the country postmasters, which are deducted by them from their collections—the net amount only being transmitted.

"H. A. Wickstead,
"*Accountant*"

Mr. White—Precisely. I now propose to refer to some arguments which the hon. gentleman used with reference to the National Policy.

ADMISSION OF BETTER TIMES.

First let me call attention to the fact that we have, happily for us and the country, a very different tune from the hon. gentleman opposite. Last year the whole burden of their song was that there was no increase in the prosperity of the country, that this National Policy had even retarded that prosperity, that while there was a great advance, a great reaction——

Sir Richard J. Cartwright—True still.

Mr. White—I am glad to hear the hon. gentleman say "true still;" I hope his party will continue to say "true still;" but I tell them that every word they utter in the sense indicating a determination to go back, or as the hon. member for West Durham said the other night, to revert to the policy that formerly prevailed, is at any rate a word that we will not quarrel with on this side of the House. (Applause). Last year they told us this policy was retarding the prosperity of the country, that we were not advancing as we ought to advance, and if their policy were in force, we would advance. This year they are compelled to admit that we are more prosperous; they are compelled to admit that there has been an advance in the well-being of the country. It is true they attribute it to a number of causes other than the National Policy, but the fact at any rate is admitted, and let us be thankful to them for that much. It is nearly three years since we have been able to get from hon. gentlemen opposite an admission that this country was worth living in at all. (Hear, hear.) But the hon. gentlemen have told us that this National Policy has not been a success, because on certain articles manufactured the export has decreased. (Hear, hear.)

EXPORT TRADE IN MANUFACTURES.

We had a very elaborate statement the other day from the hon. member for South Brant (Mr. Paterson), to the effect that on 35 articles of manufacture in Canada the export had decreased no less than $1,485,025. Well, sir, I have taken some little trouble to examine into those particular items of export. I admit at once that there is some difficulty in arriving at anything like a comparison

I wish most sincerely that some one could devise some means by which the trade returns could be so classified that it would be possible to make exact comparisons in relation to any article manufactured or exported. However, as to a large number of these articles there is no great difficulty, and I have certain facts which I desire to lay before the House. As to that large decrease of exports, the Finance Minister disposed of about half of it in connection with the export of ships. I did not intend to refer to that feature, as I understood the hon. member for South Brant accepted the explanation of the Finance Minister, regretting only that he had not had an opportunity of hearing it before he made his statement. Then, outside of ships there is still, according to his statement, on these 35 articles, a decrease in exports of $751,207. Now let me take one or two articles in connection with that.

CLOTHING AND HATS AND CAPS.

Ready-made clothing was one of the articles to which he referred. Recollect that hon. gentlemen admit that this country is more prosperous than it was, and therefore I presume they will admit that people use as much clothing as they did formerly when the country was not so prosperous. (Hear, hear.) Now, the decrease in the exports of ready-made clothing was to the value of $16,000, according to the statement of the hon. member for South Brant, and I accept his statement as being correct, without even a suggestion of verifying them from the Trade Returns. But in order to find out what has been the effect of the National Policy upon the clothing trade, the hon. gentleman should have stated that the Canadian clothiers, by the reduction of imports, have secured an enormous local market for their productions, which they had not before. In 1878 the imports of ready-made clothing into Canada were $898,013, while in 1880 the imports had decreased to $470,322, a difference of $427,691. (Hear, hear.) Yet the hon. gentleman tells us that because the export has decreased $16,000 that trade has been ruined by the National Policy. Then I take another article, that of hats and caps. According to his statement I find that the decrease, though not large, was sufficiently large to justify him in referring to it. He told us that the exports in 1878 were $572, and in 1880 $400, making a decrease of $172; and thereupon he arrived at the conclusion that our hat and cap trade in Canada had been utterly ruined by the National Policy. If he had looked at the import of that article as well, he would have found that while in 1878 we imported $719,406, in 1880 we imported $620,275, or a decrease of $99,171, against a decrease in the exports of $172. And yet the National Policy has ruined the hat trade! (Hear, hear.) That decrease in imports certainly indicates an increase of manufacture, bearing always in mind that we are more prosperous, and as it is said that the very first people who feel the return of prosperity are the hatters. When times are dull a man takes his old hat to the hatter's and gets it ironed over; but when times are good he buys a new one (hear, hear). We find thus that during last year we imported $99,171 less of hats and caps than in 1878, and to that extent at any rate the hatters regained the markets of the Dominion of Canada and supplied the local trade (applause).

THE BOOT AND SHOE TRADE.

Then, coming from the head to the feet, there was another item to which the hon. gentleman referred—the article of boots and shoes. He grew somewhat pathetic over it, as this quotation from his speech will show:

"Then we come to boots and shoes, the item that created so much concern a few years ago, that item of which there was only $200,000 worth imported, while there was $17,000,000 worth made in the country during the late Administration—what has been the effect of the tariff introduced by those hon. gentlemen upon that industry? Why, in 1878, after supplying $17,000,000 or $20,000,000 worth to our own people, we were able to export to other countries $236,345 worth. But what have we been able to export during the past year? Only $165,147 worth, a decrease of $71,198, a decrease of nearly one-third in that item in 21 months. In two years more, at the same ratio of decrease, that item is wiped out altogether from the list of exports."

Mr. PATERSON—Wiped out as an article of export, having regard to the former part of my argument.

Mr. WHITE—If the hon. gentleman will look at the former part to which I referred, he said:—"What has been the effect of the tariff introduced by the hon. gentleman upon that industry?" not upon the export.

Mr. PATERSON—Yes; the whole argument is that.

Mr. WHITE—The whole argument, the hon. gentleman is kind enough to admit, is that the industry has been affected injuriously by the National Policy. Now, what is the fact? The importation of boots and shoes between 1878 and 1880 decreased $138,442. That difference, at any rate, was

supplied by the local manufacturers of boots and shoes of this country.

Mr. PATERSON—Would you give me the official figures?

Mr. WHITE—The imports in 1878 were $246,295; in 1880, $107,850; showing a decrease of $138,442. That, I say, was supplied, at any rate, by the manufacturers of this country. But there is another view of the subject which is well worth looking at. The hon. gentleman referred to the decline in the exports of leather, sole and upper. In 1878, according to his statement—and I have taken his statements in all matter of exports—the exports of leather, sole and upper, amounted to the value of $563,221, while in 1880 it was $408,708, or a decrease of $154,513. Why should that have been cited as an evidence of injury done to that industry? Leather, naturally is raw material. As leather, until it is manufactured into something, it practically has no value. It is raw material, the raw material, principally of boots and shoes. I find the increase—because the case is reversed in this matter—in the imports of leather, from 1878 to 1880, was no less than $208,672. Hon. gentlemen will tell me, "Here are the exports of leather decreasing, and the imports of leather largely increasing, so that the tanning interest is being destroyed by the National Policy." But there is another test that may be applied, and that is the test of hides. Hides, again, are the raw material of the tanner. If there has been a largely increased importation of hides, it is quite clear that we imported them for the purpose of having them tanned in Canada. (Hear, hear.) What do we find? The increase in the importation of hides between those dates amounts to $545,122. (Hear, hear.) So we have this remarkable fact, an increase of more than half a million dollars worth of hides required mainly for the tanneries, and an increase in the importation of leather, which is required mainly by our boot and shoe makers, of $209,000, making a total of over $750,000. Then we have, in addition, a decrease in the exports of leather of $154,513, which may also be added to the other amounts, showing that it may fairly be estimated that leather to the value of $1,000,000 was consumed in 1880 by the manufacturers of boots and shoes more than in 1878. (Applause.) This is an argument which cannot be confuted, and, therefore, instead of the decrease in the exports of boots and shoes, in view of the decrease also in the imports, affording ground for regret, it is proof that that industry has been substantially benefited by the National Policy. This is the inference from the trade returns, but there is no man who knows anything of what is going on who does not know that the inference is in accordance with actual facts. At Quebec, Montreal, Toronto, whereever large boot and shoe establishments are found, premises are being enlarged, new buildings are going up, a larger number of men are employed, the proprietors are more hopeful, more prosperous, making more money, and doing more business; everywhere there are indications that this special branch of industry has taken an enormous stride, and that it is chiefly due to the National Policy (applause).

BEER AND TOBACCO.

There was another item to which the hon. member for South Brant referred. Of ale, beer, and cider he found we exported $13,331 worth less in 1880 than in 1878; but the hon. gentleman should have told the House that we imported $30,459 less than in 1878; so that that those who regard the manufacture of ale, beer and cider as an industry to be encouraged will have the assurance that it has not been injured by the National Policy. Another article to which the hon. member referred was that of tobacco, upon which he is an authority. He found the decreased exports for 1880 to be $35,711; but he should also have told the House that the decreased importations of manufactured tobacco reached $146,263, and anyone who knows anything of cigar and tobacco factories will admit, and I dare say it is within the hon. gentleman's cognizance, they are more prosperous to-day than in 1878.

SUMMARY OF THE EXPORT ARGUMENT.

Taking the thirty-five articles which the hon. gentleman has mentioned, the decrease on which amounted to $1,485,025, and deducting from them the export of ships, the explanation of which was given by the Finance Minister; deducting leather, respecting which we have abundant proof that the decrease was not matter for regret, but for rejoicing, because the leather was manufactured in Canada, where there was a home market; deducting hemlock bark, which may fairly have been used in tanning the extra half million dollars worth of hides; deducting those articles, there was a decrease in the exports of 1880 as compared with those of 1878 amounting to $575,622. Yet what do we find? In five articles out of the 35 articles—clothing, hats and caps, boots and shoes, ale, beer

and cider, and manufactures of tobacco—there is a decrease in importations of $842,246. So, in those few articles alone, the decrease in the importations is greater than the decrease in exportations of the whole thirty-five articles by the large sum of $226,444. (Applause.) I ask whether these facts do not abundantly answer the statement of the hon member for South Brant (Mr. Paterson) that we have sorely injured this country by the National Policy, because as to certain articles of manufacture the export trade has been decreased. (Hear, hear.)

EXPORTS AS A TEST OF PROSPERITY.

The hon. Minister of Finance, in his statement the other night, made the remark that the decrease in the exports might be a matter of advantage to the country, and hon. gentlemen opposite were disposed to sneer at that statement. The ex-Minister of Finance was especially emphatic in his sneer at the statement. He declared it was one which he could not understand. But if the hon. gentleman would only look at the matter he would admit this: that up to a certain point the extent of the exports of manufactures is no test of prosperity. The home market, every one will admit, is more valuable than the foreign market. And if factories are running full time, the capital invested in them being fully occupied, and the product not more than sufficient for local demand, then the absence of exports is no evidence of want of prosperity. (Hear, hear.) It is only after we have fully supplied the home market that the question of exportation becomes an important question. Then it is a matter of importance to enable the manufacturers to enlarge their sphere of operations, to increase their capital and premises; and in that sense it is a matter of exceedingly great importance. But at the start of manufactories, and we are only practically starting them in this country, and only now getting into a condition for the thorough development of our manufacturing industries, and until we have supplied the home market, the question of exportation does not enter at all into the question of the prosperity of these manufactures. In England the case is vastly different. There, the manufacturing industries are so fully developed that the home market will not begin to consume what the mills running on full time will supply, and therefore the test is to be found in the value of their exports. But in this country, until our manufactures are in a condition to supply fully our home market, the question of exports does not enter into the calculation.

Mr. PATERSON (Brant)—Why do we export any manufactures at all if the home market is not supplied?

Mr. WHITE—If the hon. gentleman cannot answer his own question, I am sorry for it. I am not here to answer conundrums.

Mr. PATERSON—Will you please answer it. If we cannot supply our own market, why do we need to export? That is a conundrum.

Mr. WHITE—One of the troubles of hon. gentlemen opposite is this: One of the things that have got them into their difficulties with the people—and into difficulties with the people they have got—is, that they have been throwing such conundrums as this at the heads of the people. If you can manufacture and sell more cheaply in Canada under a 30 per cent tariff than you could under a 10 per cent tariff, what is the use of a 30 per cent tariff? But the people have been learning by experience that under a 30 per cent tariff the larger production enables them to sell at a less price than they could under a 10 per cent tariff, if the article was manufactured outside. (Hear, hear.)

THE SUGAR DUTIES AND THE PRICE OF SUGAR.

There is another question, and only one, to which I desire to refer, and that is a subject which has been discussed here so frequently in this House and out of it, that I might almost be pardoned if I left it alone altogether. I refer to the question of the sugar duties, as an illustration of how the people of this country have been burdened by this tariff. My hon. friend the Finance Minister, in his statement the other day, gave us the average prices of sugar in this country during the last year, and the price in New York with the old duties and the charge of 35 cents per hundred added, and as a result he found that the price in Canada was about twenty-five cents a hundred, or one-quarter of a cent per pound more on granulated sugar than it would be if imported under the old tariff on that method of calculation. In dealing with this question, so far as the price of this sugar is concerned, we are fortunately dealing with a question outside of the realm of speculation altogether, and can come down to a matter of mathematical proof. We had three years' experience without a refinery, when all the granulated sugar consumed in this country had to be imported, chiefly from the United States; and we are thereby enabled to learn, by comparing the

prices in gold in bond, which prevailed during those three years in New York, which is the market from which comparisons are taken, with the prices obtained in this country, whether the proposition made by the hon. Finance Minister, regarding this particular industry, is a fair one or not. Now, in 1876, taking the price of sugar in New York, and adding the duty under, what I may call for convenience, the Cartwright tariff, and the charge of 35 cts. per 100 lbs., the price should have been in this country $9.05. I am speaking of the average for the whole year, and that average has been obtained by taking the price on three days in each month, which hon. gentlemen must admit is a fair method. As a matter of fact the average price in Canada during that time was $9.50—45 cents a hundred, or nearly half a cent a pound more than it should have been on the principle stated by the hon. Finance Minister. (Hear, hear.) In 1877 the average price, by the same method, should have been $10.15; the actual average was $10.66—51 cents a hundred, or one-half a cent a pound more than the consumer should have paid. In 1878, under the old tariff, the average price ought to have been $8.89, whereas the actual average price was $9.33, a difference of 44 cents a hundred. The difference between the average price on this method and actual price during those three years was no less than 46⅔ cents a hundred, or very nearly one-half a cent a pound. (Applause.) On the same method, we have during the past year been paying one-fourth of a cent a pound more, not one-half; so that instead of our paying more in consequence of this industry being promoted in Canada, we have been paying one-quarter of a cent less, and that method of calculation, which cannot be gainsaid, but is open to enquiry by any hon. gentleman, is certainly as fair in reference to the three years when we had no refinery as to the one year when we had a refinery. (Hear, hear.) There is an-another point with reference to that one-quarter of a cent. With the duty of 30 per cent. instead of 25 per cent. on sugars under No. 14, notwithstanding the advantage which is given to the refiner of a rebate on the duty on packages on direct importations, the extra duty just about makes up the one-quarter cent more which he has to pay. The percentage of duty paid on packages imported in 1880 was 46.49; on the same packages under the old tariff it would have been 44.7. The difference amounts to about 2.42 per cent. between the actual payment and the payment under the old tariff, and that is as nearly as possible the one-quarter cent extra referred to by the Hon. Finance Minister.

ADVANTAGE OF SUGAR REFINING.

But one cannot look at this matter as a mere question of the price of sugar. It is not a question after all whether the people of this country get their sugar at a little higher or a little lower price in consequence of the establishment of a refinery at Montreal, at Moncton or at Halifax, and I am glad to know that there are going to be refineries in different parts of the country to compete with each other and give the advantages of that industry to different parts of the country; but it is a question as to the general interests of the trrde of Canada. I had the honor, two years ago, from my place in this House, of quoting, in relation to this sugar industry, the opinion of a leading free-trader of the United States, a gentleman whose opinions had been quoted very often by hon. gentlemen opposite, the Hon. David A. Wells. He took it out altogether, it will be remembered, from the ordinary list of articles upon which he deprecated protection; he held it was an article so exceptional in its character, and in the advantages which it offered to the country, that it ought to be dealt with differently, and ought to be protected. Now, what do we find? Take our West India trade. I find by the report of the Montreal Harbour Trust that the imports of sugar into that port in 1878 were 12,289,843 lbs.; in 1879 the imports were 64,375,656 lbs.; and in 1880 they reached 74,952,000 lbs, (Hear, hear). Will any hon. gentleman tell me that it was not to the advantage of this country that this large quantity of sugar should be carried in vessels from the West Indies to Canadian ports, rather than have the refined sugar imported into the country over American railroads, (Hear, hear). The arrivals of West Indian vessels in the port of Montreal were as follows: In 1875, 9 vessels, with a total of 3,689 tons; in 1876, 3 vessels, 553 tons; in 1877, 3 vessels, 665 tons; in 1878, 7 vessels, 1,216 tons; in 1879, 33 vessels, 16,587 tons; in 1880, 45 vessels, 17,657 tons. (Hear, hear). Will any hon. gentleman pretend to say that the trade of the Dominion has not been greatly benefitted by this great tonnage between the two countries? The hon. Finance Minister, referring to the expenditure made by refiners in Canada in the carrying on of their busi-

ness, said that it benefited the Dominion to an amount equivalent to the difference of duty between that received now and that received under the late tariff.

Sir LEONARD TILLEY—I said it was more than the amount of the duty, but I see the report makes me say the former.

Mr. WHITE—Upwards of $800,000 have been expended by the two refineries of the city of Montreal, and the expenditure will be largely increased when the refineries in Halifax are in good working order.

OPPOSITION MISREPRESENTATIONS ON THIS QUESTION.

There is an extraordinary attempt to excite the feelings of the country against this particular feature of the Tariff. The hon. member for Centre Huron, in a speech which he made in Centre Huron last year, talked of 3½c being added to the cost.

Mr. ANGLIN—He did not say that.

Mr. WHITE—I am going to read the hon. gentleman's explanation. The hon. gentleman need not be alarmed. I do not propose to mis-state his arguments in any way whatever. He stated that the Tariff added three and one-half cents per pound to the cost of the sugar to every consumer in Canada. There was not a gentleman whe read that speech, even the hon. Finance Minister who read it and referred to it in Toronto, who did not take away the impression that the hon. gentleman intended to convey the idea that the change in the tariff had added three and one-half cents per pound to the cost of sugar. I would venture to say there was not a gentleman in the audience who did not come to that conclusion. If he did not mean that, what was the object of referring to the three and one-half cents at all? (Hear, hear.) It he had a duty on sugar, which I will show you he had in its practical operation on the consumer, as onerous as the present duty, why did he refer to the three and one-half cents unless for the purpose of exciting feeling against it? The hon. gentleman, the other night, explained his statement in this way:—

"So in making his other statement that I had declared that each family in Canada had latterly to pay three cents per pound more for its sugar, surely the hon. gentleman, who had evidently that statement before him—because he declares in another part of his speech that I knew the total importation was about 116,000,000 lbs—must have known that when I defined the loss as $1,177,000, it was quite impossible that could represent more than one cent per lb. He appears to be unable to distinguish between these two simple propositions; that the loss to the people of Canada over and above the money that goes into the Treasury is one cent per lb., and that the duty fixed on the sugar consumed by the people of Canada is 3 cents to 3¼ cents per lb. These are not difficult things to distinguish."

But surely the hon. member for Centre Huron could not expect the audience to bear in their minds these different calculations, and give to his statement a meaning which it did not bear on its face. What is the fact? In 1877, taking the price of sugar here and the prices in New York in bond and making a calculation, the people of Canada paid, under the tariff of the hon. gentleman, in consequence of the duty and handling, over New York prices, $3.64 per 100 lbs, while in 1880 they pay but $3.23 per 100 lbs over New York prices (applause). What was the object of the hon. gentleman in referring to this matter ot the 3 cents or 3¼ cents at all, if it was not to create the impression that by the act of this Government that enormous burden had been imposed on the people (hear, hear).

MR. BLAKE'S ATTACK OF THE REDPATH MUSEUM.

Not only has there been an attempt in this way to create a prejudice against this industry, but we had an hon. gentleman, from whom better things should have been expected, endeavoring in Toronto to excite public antipathy against a sugar refinery in Montreal, because the head of that refinery had made a great gift to a university. That hon. gentleman, a chancellor of a university, did not hesitate, in the city of Toronto, before a large public assembly, to make it a crime on the part of the head of that establishment because he had given $50,000 towards the establishment of a museum in connection with McGill University. We have not many wealthy men in Canada who are willing to devote their money to objects of this kind. We have many institutions which require such assistance from the wealthy men of the country, and it is certainly not calculated to promote that kind of benevolence, when hon. gentlemen occupying high positions, such as the hon. member for West Durham, make it a point in a public assembly against the Redpath refinery that Mr. Peter Redpath had given $50,000 towards a public institution, stating that the amount was wrung from the earnings of the people through the higher prices which they had to pay for their sugar. Does the hon. gentleman know that in the city of Toronto the Hon. Wm. McMaster recently erected a church? (Hear, hear.) Who complains of that? Who does not honor him for it? What would be said of the man who before a public audience, would

say : " Sir, you took that out of the earnings of the people ; you might have sold them your cottons and dry goods at so much less ; you might have given that enormous profit to your customers throughout the country ; but, instead of that, you took from them every dollar you could get, and now you seek to pacify your conscience by building a church." (Hear, hear.) Mr. Jos. Mackay, in Montreal, who is not a manufacturer but an importer, has recently distinguished himself. as I would be glad to see many merchants and wealthy men of Canada, distinguish themselves, by building an asylum for deaf-mutes in Montreal. What would be said of the man who would charge him with having robbed the people by making them pay too much for his goods, and now wanting to make atonement? It was an unworthy attack for the hon. gentleman to make. He, of all men in this country, occupying the position of head of one of its leading universities, instead of discouraging the wealthy from giving donations to institutions of this kind, ought rather to have applauded the action and acknowledged the honorable motives that prompted it. (Applause.)

SIR RICHARD CARTWRIGHT'S MORTGAGE STATEMENT.

But the ex-Finance Minister, the other night, told us that this tariff was equivalent to a mortgage of $10 upon every acre of land in the country. Just look at that statement. An ordinary farm would be about 200 acres, which, at $10 an acre, would produce a mortgage of $2,000 ; and that, at seven per cent, would compel a farmer to pay $140. The increase on the present tariff for which hon. gentlemen on the Ministerial side are responsible, is four per cent, but let us be liberal and say five per cent. That gives margin enough. That would amount to a store bill, because it is only on store bills that taxes are paid by farmers, of $2,800. (Applause.) Now, I see my old friend, the hon. member for South Wentworth looking at me, and I would ask him how many farmers in this country with 200 acres, run up a store bill of $2,800? It is statements of this kind that, I venture to say, are doing the hon. gentlemen opposite a very great deal of harm. If we listened to them, our people would appear much poorer than they are—in fact, in a state of abject poverty. While one hon. gentleman tells us that every farmer is mortgaged to the extent of $10 an acre through this tariff, another tells us that $60 out of $300, or 20 per cent of all the earning of the unfortunate poor man, goes to the tax collector. Under these circumstances, one would imagine that our people were in wretched circumstances.

THE SAVINGS BANKS DEPOSITS.

One or two tests will apply to these statements. Take, for instance, the Post Office Savings Banks—a pretty good test, because I believe the average deposits are small, that the office will not take over $1,000 from any depositor, and will not allow a family to divide itself so as to put in a larger amount —the object being not to encourage withdrawals from the banks and the ordinary business of the country. On the 30th September, 1878—I do not refer to it for the purpose of hurting the feelings of hon. gentlemen opposite, but because it is a good date for the purpose of the comparison—the number of open accounts was 26,097, and the amount on deposit, $2,798,310.66. In 1880, same date, the number of open accounts was 32,804, and the total deposits, $4,226,723 86. What is still more extraordinary is the fact that in the four months since that time up to the 31st January last, the number of open accounts had increased to 36,361, raising the total deposits to $5,125,-135.11. That, sir, I am bound to say, is a very considerable indication that the people of this country, after they had mortgaged their farms for $10 an acre and paid their 20 per cent of all earnings to the tax-gatherer, appeared to have a good deal of money left on deposit in the savings banks. (Applause.) Then, I find that the number of deposits made in January last in the Post Office Savings Banks was 7,014, and the amount deposited in small sums of on an average of about $50 each, reached $462,889. The only month in the whole history of the Post Office Savings Banks in which there was anything like so large a number of deposits and so large an amount deposited, was in August, 1879,when the Consolidated Bank failed and the Exchange Bank closed its doors and there was a general panic throughout the country ; and in consequence people sought the Post Office Bank rather than the savings banks department of the chartered banks. In that month there was 6,022 depositors, who deposited $409,027. In January, 1879, there were 3,970 persons opened accounts in the Post Office Bank, to the amount of $219,462. I take now another institution which may be said to offer a very fair test of the circumstances of the people—the City and District Savings

Bank of Montreal, which is perhaps the largest savings bank in the Dominion. On the 1st of October, 1878, it had 17,793 open accounts, with deposits amounting to $3,424,239, and on 1st of October, 1880, the open accounts numbered 20,668, with an amount of $4,379,662. I would like to know whether under these circumstances, it can be said that the people of this country are a poor people?

THE OPPOSITION BLUNDER ON THE TARIFF QUESTION.

Hon. gentlemen opposite may rely on this that there is nothing which the Conservative party at any rate more desire than that they should pursue on this question their present course. We saw only the other day in Montreal papers a letter from a gentleman who is a Liberal and has done good service in the Liberal cause, whose influence and power in connection with elections in that city I personally have very good reason to know something about —I mean Mr. L. O. David. The other day he published a letter declaring that the Liberal party had abandoned all idea of going back on the National Policy or returning to their old policy, because that they, as wise men, having regard to the public sentiment of the country and to the industries built up under the influence of this tariff, had resolved to maintain it in its integrity. It was stated, also, that the member for West Durham and an hon. gentleman in Quebec, who may be said to be a leader of the Liberal party, actually, although not nominally, Mr. Mercier, had given assurances to this effect. Parliament happily being in session, we have had the statements of hon. gentlemen opposite on the subject. They are doing their best. I do not, for one, regret it, because I believe that, apart from the National Policy, having regard to the general interests of this country and to its development, improvement and advancement, it is important that they should not be in office—to create the impression in the mind of every man in Canada, who has a dollar invested in business, that his interests and the interests of the country depend upon those hon. gentlemen being kept in Opposition. (Applause.) They choose to take that course. They choose to say, to-day, that they are willing to oppose this National Policy, that they regard it as injurious, while every man outside Parliament believes it to be the reverse. When we find that such men as a gentleman in Montreal, who is well known as an active politician in that city, whose influence as a Liberal I have good reason to know something of—I mean Mr. William Clendinneng —when we find such gentlemen as he is writing to the newspapers and declaring that notwithstanding what hon. gentlemen may say, the fact remains that things are more prosperous, that the boom is upon us, that every industry is prospering, and attributing the change to the policy of the Government, I say if these hon. gentlemen choose to ignore these indications of public sentiment outside, then upon their own heads be the consequences of it. (Hear, hear.) Only yesterday morning, in the city of Montreal, I met a manufacturer on the street. I asked him how business was prospering with him. He replied that it was booming. I said "That is due to the National Policy." He replied "Yes." I said "You did not believe in it not long ago." His reply was, "Well, I did not believe that you were sincere in advocating it. I did not believe that your party would have the courage to bring down such a policy as we now have, else I would have taken a different course in your election in the city of Montreal." (Hear, hear.) That gentleman is simply a type of many gentlemen in this Dominion who have come to realize that the welfare of Canada is bound up in the party which looks to the development of the country in its broadest sense—which looks to the development, not only of the industries of the country, but of every interest in the country, as this Government has done since it has been in office. (Applause.) I am satisfied that when this question of the National Policy comes up for review by the court of last appeal—the people—in 1883, hon. gentlemen opposite will be glad, if they can, to hark back from some of the statements they are making to-day and to declare that, although they opposed the National Policy in the first instance, they are not now going to go back upon it, and they will be anxious to sneak—if I may use the expression—back to the Treasury benches under cover of the Policy which they have done so much to destroy. Happily, however, they are now making a record which will render it difficult for them to take such a course, and I, for one, do not regret that they are making that record. The hon. gentleman resumed his seat amid loud applause.